



PROMOTING E-MAILS ON THE WEB

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Abstract- Promotional e-mails are one of the most effective digital marketing tools. However, companies are still struggling with the development of e-mail marketing campaigns that are both believable and engaging. This paper tries to understand the determinants of e-mail marketing effectiveness, namely sending details, sender and subject line and message design. Three factors were identified as being potentially relevant, but poorly understood: using brand/company name on the sender, personally addressing e-mail messages and providing the campaign's current rate (CCR) (as a measure of its social engagement). The significance of the positive effects of these variables on campaign opening rate (COR), and conversion rate (CR), respectively, were experimentally confirmed through the performance of 2 I/II tests both in the software industry and a quasi-experiment on the retail industry. Secondary data was collected and analyzed to compare the results of both experiments with the benchmark of the respective industry. These findings can be used by brands and agencies to design more believable and engaging e-mail marketing campaigns.

Key words: campaign's current rate (CCR), campaign opening rate (COR), conversion rate (CR), e-mails.

1. INTRODUCTION

With the advent of the Internet, companies needed to modify the way they were used to do their business because a new marketing channel was created, changing the way information was shared. Also, customers are increasingly using social media in the decision-making process when searching for new products(Ainin, 2003). Now companies want an easier, cheaper and faster way to communicate with customers and Internet offers all three. The increase of the usage of PC's, smartphones and tablets has an influence on this, since many people resort to the Internet on a daily basis and feel the need of being connected all day, either on their e-mail service provider or logged in in social media networks like Facebook, Twitter or Instagram(Raad, 2010). Since Internet has lower costs and allows to better measure results, advertisers are moving from traditional media to digital marketing communications (Fulgoni, 2009). To achieve efficiency in digital marketing, it is necessary to recognize and understand the ways in which traditional media and new media are similar and how they differ (Coupey, 1999). Internet advertising effectiveness should be analyzed in a similar way as traditional advertising. However, Internet advertising differs from traditional media in the way that it has capabilities to expand the function of advertising when compared to traditional advertising(Kotler p., 2013). In what concerns to the types of available information, Internet does not differ considerably from traditional media as both provide consumers substantial information regarding brands and consumers' insights (Josang A., 2007). In contrast, the information available online regarding products cannot be compared to any traditional medium, as Internet provides unlimited information whether on companies' websites, search engines or online advertising.

When choosing a brand, consumers rely on personal experience (Sen, 2007). Lacking experience, customers tend to rely on interpersonal communication and in the absence of the latter they use mass media advertising(Arndt, 1981). One thing consumer's take into consideration is how information is organized. In traditional mass media, information is usually organized by brand as this type of advertisements typically promotes one brand at a time endorsing its main attributes. Additional information regarding other brands or different attributes must be obtained at a different time, when other sources of information are encountered (Bettman, 1991). Lastly, Internet may differ from traditional media on two other dimensions – information flexibility and information accessibility. Information flexibility concerns the skill to Lastly, Internet may differ from traditional media on two other dimensions – information flexibility and information accessibility. Information flexibility concerns the skill to customize the information to the needs and desires of the customer while information accessibility refers to the customer's ability to control where and when the information is available (Arndt, 1981). Flexibility might be obtained since online marketers are able to collect several information that allows them to profile each customer. By doing this, messages can be customized according to each profile, creating a more interpersonal communication when compared to the mass communication used in traditional media. This can be considered as a major advantage of online advertising as this method enables companies to deliver content that is targeted to the consumers who value this information the most and are most likely to react to it (Evans, 2009). Also, it is important to mention that this flexibility is only possible because of the

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interactivity that Internet has created. Regarding accessibility, with the creation of Internet and the possibility to access to it almost everywhere, brand and product information can be accessed from any location at any time.

As it was seen, e-mail marketing campaigns are expected to keep growing and everyday more and more marketers are adopting this type of digital marketing. However, there is still no perfect way to create a trustable, engaging and effective e-mail marketing campaign and there is very little knowledge about such issues. Several companies have already made tests to evaluate the performance of their e-mail campaigns. Subject line, creativity, time of the day and call-to-action button were the variables most tested, whereas subject line and creativity were the ones with the highest impact on campaign performance (Experian, 2013). The success of e-mail marketing campaigns is usually evaluated on three dimensions – the number of people opening the e-mail, the number of these that read the message and click on it to go to the company's campaign's landing page, and the number of these who end up buying or registering as a result of the e-mail. These dimensions are known as e-mails' campaign opening rate (COR), campaign's current rate (CCR) and conversion rate (CR), respectively.

Though there are some studies showing that CCR is higher when using the company's name in the subject line, as opposed to not mentioning it at all, there is no research about the influence of changing the sender, placing information about how many people have already read and converted to that e-mail or putting the recipient's name on the top of the e-mail. This dissertation focused thus on testing the impact of these three variables on the three campaign performance criteria mentioned above. Three different online experiments were conducted, one for each dimension. Changing the sender of the e-mail tested its effects on campaign COR, putting the name of the recipient on the top of the e-mail tested its effects on CCR and finally, adding a counter to the e-mail message tallying how many people have already converted to the campaign tested the influence of this type of initiative on campaign lead CR. The number of previous conversions was calculated based on the number of users who have fulfilled the fields present in the campaign's landing page.

Objectives of the study

The main aim objective of this study is to understand the influence of different message design variables on the performance of e-mail marketing campaigns.

To achieve this purpose, the following research questions were formulated:

RQ1: How well are campaigns performing relatively to international industry benchmarks?

RQ2: Does using the company's name on sender of the email have an impact on the COR?

RQ3: Does putting the recipient's name on the e-mail content have an impact on CCR?

RQ4: Does including information, as a measure of social engagement, on the e-mail have an impact on CR?

2. RESEARCH METHODS

In order to answer the research questions, both primary and secondary data were used. Secondary data was collected from 191 past campaigns sent and was used to compare the performance of campaigns with international benchmark values. Regarding primary data, two A/B tests and a quasi-experiment were conducted in order to understand the influence of changing the three e-mail campaign variables mentioned above on e-mail campaign performance. An A/B test consists of sending two different versions of the same e-mail, each to half of the subscribers' database. This study presents important results about what advertising companies should take into consideration when designing their e-mails. They indicate which variables advertisers should include in future e-mail marketing campaigns, in order to increase their performance by increasing their credibility. By incrementing the OR, CCR and CR, companies will increase the number of visitors to the website and consequently, boost online or offline sales. Furthermore, subscribers will value more e-mails that are directly written to them, since this increases the empathy between the user and the company. In order to answer the three research questions and to achieve the purpose of this dissertation both a descriptive and an explanatory research approach were envisaged. To better analyze and contextualize the performance of campaigns regarding OR, CCR and CR (lead conversion rate). Campaigns that occurred from April 2017 to June 2017 in Hyderabad 191 campaigns sent to a database.

3. LIMITATIONS OF THE STUDY

Regarding secondary data, the sample was very small, not representing the performance of the online marketing agencies the secondary data for CR benchmark value was calculated based on Company A past campaigns which may not be very accurate to compare with the collected campaigns. Concerning primary data, there were external factors that could not be controlled during the experiments. Despite being sent at the same time and with the same sender and subject line, the COR regarding the recipient's I/ II test was different in both version and it is not possible to explain this difference. Also, regarding the counter experiment, it was not possible to run a I/ II test meaning that users have received the same e-mail twice and this affected the results and conclusions about this experiment.

The proposed research hypotheses are presented and discussed, as to see how well company A is performing relatively to international industry benchmarks.

Table-1 Median OR values of company A campaigns, company B benchmark and Wilcoxon test results.

Industry	Finance	Manufacturing	Retail
OR (A)	12.9 %	14.32%	17.88%

OR (B)	20.9%	15.9%	17.5%
Sig.,	0.005	0.367	0.035
Decision	Reject	Do not Reject	Reject

To better relate the results found from the experiments done in primary data, to understand the performance of company A past campaigns regarding OR, COR and CR (lead conversion rate), the performance of each industry regarding the three rates to understand where and how company A campaigns differ from the benchmark which the performance of company A campaigns and contextualize the results found in primary data.

COR-Table 2 Median COR values of company A campaigns, company B benchmark and Wilcoxon test results.

Industry	Education	Finance	Health care	Manufacturing	Retail
COR (A)	3.13 %	4.98%	5.74%	5.15%	5.85%
COR (B)	2.8%	2.1%	2.4%	2.1%	2.7%
Sig.,	0.022	0.000	0.001	0.000	0.000
Decision	Reject	Reject	Reject	Reject	Reject

A relatively high number of promotional e-mail campaigns were conducted by company A in the finance, retail & manufacturing and retail industries in the past ($15 < n < 25$). It was then possible to statistically compare their median OR to the respective industries' benchmark by conducting a Wilcoxon test with a confidence interval percentage of 95%. The results are shown in Table 2 which shows that company A has highest median COR value is in the retail industry, while in the benchmark the highest value belongs to finance & insurance. The latter is the lowest value regarding company A. This can be due to the financial having mainly high risk and high involvement offers, or due to company A database customers not being very willing to trust these particular campaigns. The nonparametric test results allowed the rejection of the null hypothesis in the case of both financial & insurance and retail ($p < 0.05$) industries, but not in the retail & services industry. This implies that company A performs significantly worse than the benchmark regarding the financial industry, significantly better in the retail industry and no differently in the retail industry. Company A campaigns in the retail industry have the highest value, while the highest benchmark value belongs to education. However, education is the weakest value in company A campaigns but is still higher than the benchmark (3,13% vs. 2,8%). The nonparametric test results allowed the rejection of the null hypothesis of the five industries ($p < 0.05$), meaning that company A performs significantly better in all industries than international benchmarks. This can mean that company A e-mails are more engaging, which can be due to the good balance between images and text, the attractiveness of the e-mail and the eye-catching call-to-action button.

CR-Table 3 Median CR values of company A campaigns, company A benchmark and Wilcoxon test results.

Industry	Education	Finance	Health care	Manufacturing	Retail
CR (A)	6.13	5.03	9.16	10.55	6.2
CR (A)			9.71 %		
Sig.,	0.001	0.000	0.382	0.641	0.355
Decision	Reject	Reject	Do not Reject	Do not Reject	Do not Reject

From table 3 we can find that Retail is the only industry where company A results are higher than the benchmark; all the remaining industries had lower results. However, the null hypothesis is rejected ($p < 0.05$) for the education and finance, which implies that the CR median values vary from the benchmark, negatively in this case. The null hypothesis is accepted ($p > 0.05$) in the remaining industries, meaning that company A campaigns are statistically similar to the benchmark.

The effect of using company's name in sender line on campaign OR

To test the impact of using the name of the company in the sender on the OR, a crosstabs analysis and a Chi-Square test were done; results are shown in Table 4, H_0 assumed that versions and COR are independently distributed, meaning that the fact that user received version Analysis I or II and opening or not the e-mail are independent. Exactly 2,483 (19,13%) e-mails were opened from version I, while only 221 (1,70%) e-mails were opened from version II. The Chi-Square test is highly significant ($P < 0.001$), meaning that H_0 is rejected. This means that there is a statistical relation between the COR and the name of the company on the sender.

Table 4 Contingency table of frequencies of variables and Chi-Square test results of COR I/II testing

	Open the e-mail	With Company Name	Without Company Name	Total	Chi Square test (Sig.,)
Yes	% within Version	19.1 %	1.7 %	10.4 %	0.000
No	% within Version	80.9 %	98.3 %	89.6 %	

To understand the campaign is within the values from past campaigns sent by company A for the same industry (healthcare) it is important to observe the average COR of healthcare, the mean value for this industry is 18,06%, which is only slightly lower than the 19,1% observed in the I/II test campaigns. The majority of company A campaigns are sent with the company's

name, the results prove the good practice of putting the name of the company on the sender but some companies, this paper shows once more that all e-mail campaigns should include the company's name on the sender.

The effect of using the recipient's name in the e-mail content on campaign COR

To test the impact of using the recipients' name in the e-mail on the COR, a crosstabs analysis and a Chi-Square test were done; results are shown in Table 5. H0 assumed that a version including the recipient's name on the e-mail or not, and the COR of both versions are independently distributed. In version I, 281 (10,2%) recipients have clicked on the e-mail, while 103 (5,2%) recipients have clicked on the e-mail of version II. The Chi-Square test is highly significant ($p < 0,001$), meaning that H0 is rejected. This way, it is possible to conclude that there is a statistical relation between writing the recipient's name on the beginning of the e-mail and the email's COR.

Table 5 Contingency table of frequencies of variables and Chi-Square test results of COR/II testing.

	Check the e-mail	With Recipients Name	Without Recipients Name	Total	Chi Square test (Sig.,)
Yes	% within Version	10.2 %	5.2 %	8.1 %	0.000
No	% within Version	89.89 %	94.8 %	91.9 %	

So far, only 4% of company A campaigns were sent with personalized promotional messages, so it can be considered that, in practical terms, it is not typical practice of this agency to personalize e-mail messages. To assess the potential benefit of starting to personalize messages more often, it is important to compare the results of the I/II test with those of past campaigns conducted by company A in the same industry (in this case, healthcare), (7, 18%). However, we can state that company A should start using more often the name of the users since this might generate a slighter increase on the COR. These results say that personalized messages name in the content of the e-mail, can increase CCR by 14%..

The effect of including information on current campaign (as a measure of social engagement) in the e-mail on campaign CR

Table 6 Levene's and independent sample T-test results analyzing the impact of including a counter on the e-mail mean CR values.

	Levine's test for equality of variance	T- test for equality of Means
	Sig.,	Sig.,
Equal variances assumed	0.116	0.000
Equal variances not assumed		0.000

To test the impact of including information in the e-mail content and landing page on campaign CR, an Independent Sample T-test was performed; results are presented in table 6. H0: assumed that mean values of CR of both campaign versions are equal. That is, the average number of people who converted in September is the same of the people who converted in October. The Levene's test result is higher than $p < 0,05$, so we can assume that variances are equal in the two groups. T-test results were highly significant ($p < 0,001$), meaning that the CR' mean values of campaign versions were different, rejecting the null hypothesis. By looking to the mean values (32,019% vs. 40,628 %), it is possible to notice that CR is higher when the e-mail and the landing page possess the counter. This way, it is possible to conclude that using this type of information has a positive impact on the CR.

Table 7 Company B mean benchmark and mean values of the performance of the counter experiment.

Measure	Bench mark (A)	Without counter	With counter
OR	17.8 %	14.4%	15.64%
CCR	2.3%	11.41%	11.97%
CR	9.71	32.02%	40.63%

Both versions have opening rates lower than the benchmark. Reasons to support were already explained (mainly the need to renew company A database). However, it is important to mention that despite the sender and the subject being the same in both versions, more users opened the II version (maybe because it was the second time they were receiving the e-mail), and clicked on it. The latter can have two explanations: users who have already registered wanted to register another family member or a friend who have not received the e-mail (once each user could only convert once) or users wanted to see if there was any difference from the previous e-mail. Regarding COR and CR, both versions had a much better performance when comparing to the respective benchmark. This might be due to several factors:

This is a promotional campaign, offering discounts to users who create an account. It has been proved that promotional campaigns perform better than informative and persuasive ones (Kotler, 2013).

The brand used in the campaign is an international and prestigious FMCG brand with a tremendous number of clients, products and sub-brands. It is known that consumers trust companies with high reputation, which allows them to achieve more persuasive and engaging advertising campaigns (Kotler, 2013);

The e-mail layout has very appealing colors and a good balance between text and images, making it easier to read and more engaging to consumers. E-mail content and layout are crucial to the performance of e-mail marketing campaigns (Rossiter, 1981).

This campaign was a success even without the counter as it can be seen by the high values due to the type of e-mail (promotional) and the company involved (international and prestigious). However, it is always better to add information about

the product/service to have higher credibility and a bigger influence on clients. Adding this information will be of higher importance regarding small or unknown advertisers with very few clients (Sen A. L., 2007.).

If we are talking about a new company or a company with small reputation, the social factor will highly impact customers' opinion about that company because consumers will think it is less risky to use or buy something if they can observe that other people have done it before. Social influences caused by the increased use of social media networks are having more and more impact on consumers' decisions and behaviors (Sen A. L., 2007.)

Companies are starting to use systems to provide this type of information to clients where they can check how many people have searched for that product and how many have already buy it or use it. Also, they are allowing customers to rate and comment the performance of the product for future buyers to see it (Sen A. L., 2007.) .

4. SUMMARY OF THE PAPER

Regarding RQ1COR, company A's performance is low when compared to benchmarks, especially in the finance industry. However, the opposite happens in CCR and CR, being, company A's values higher than the benchmark in all studied industries. This can mean that, company A is not creating engaging subject lines and senders, once these are the main aspects that influence COR. However, the creativity of the e-mail and the offer appear to be very well executed, as CCR and CR performance rates are high. Regarding RQ2, the first hypothesis is accepted, meaning that there is an impact when using the company's name on the sender of the e-mail on the COR. By the experience conducted, it is possible to assume that using the name of the company on the sender will lead to an increase in the COR, it is possible to conclude that the sender and the subject line are fundamental to the user decide whether to open the e-mail or not. So, it is always better to put the company/brand name in the sender line (Thomas, 2011). Regarding RQ3, hypothesis is accepted, meaning that there is an impact when writing the recipients' name in the e-mail on the CCR. By the conducted experience, it is possible to conclude that writing the name of the recipient increases the connection between the user and the advertiser, leading to a more personalized and engaging e-mail and an increase on the CCR. However, it was not possible to study if this hypothesis applies to all type of e-mails. Regarding RQ4 hypothesis is accepted, meaning that there is an impact when using information about how many people have converted before as a social measure on CR. It is always better to put this information but it was not proved if the impact would be higher when the advertiser is a small or unknown company. In the latter case, users may feel a higher need to trust this type of advertising and by putting information proving that other clients have converted or used the product/brand, customers will be more willing to trust the e-mail.

5. CONCLUSION

The main purpose of this dissertation was to understand what e-mail marketing companies can improve in order to make their e-mails more believable, by comparing performance values with benchmark. This paper presents an original and valid contribution to the study of e-mail marketing campaigns since there is not much information available about this topic. The three studied variables proved to have an impact on the performance of e-mail marketing campaigns, making them more reliable and believable. The information presented on this paper is very important for all e-mail marketing companies which revenues depend mainly on e-mails' performance. As these companies are paid for each click or lead resulting from e-mail campaigns, it is crucial for them to have this opportunity to discover how to increase their e-mail marketing campaigns' credibility. By studying variables that impact COR, CCR and CR, this paper provides relevant content that e-mail marketing companies can and should apply in further e-mail campaigns which may lead to a profit increase as when improving performance's rates.

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